

Cablefax Daily™

Monday — July 27, 2015

What the Industry Reads First

Volume 26 / No. 142

AT&T-DirecTV: Deal Complete. What's Next?

It's final. As expected, the **FCC** approved the nearly \$50bln **AT&T-DirecTV** merger Fri, 3 days after chmn *Tom Wheeler* announced he had circulated an order recommending approval of the deal. Wheeler and Democrat commish *Mignon Clyburn* and *Jessica Rosenworcel* voted in favor of the merger, while Republican pair *Michael O'Rielly* concurred in part and *Ajit Pai* dissented in part. We were told that *Pai* dissented on all of the merger conditions, which as we reported earlier this week, include fiber-to-the-premises deployment, gigabit service to E-rate schools and libraries, interconnection disclosure, non-discriminatory usage-based practices, services for low-income families, and compliance program and reporting. With govt approval out of the way, AT&T announced it has completed the acquisition. The integration will occur over the next few months, and the telco will launch new integrated TV, wireless and Internet offerings in a few weeks. Other initiatives include a new OTT video offering developed through AT&T's **Otter Media** joint venture with the **Chernin Group**. This includes its purchase of a majority stake in **Fullscreen**, an international online media company that works with more than 50K content creators. *John Stankey* will be CEO of AT&T Entertainment & Internet Services, responsible for its combined DirecTV and AT&T Home Solutions operations. He will report to chmn/CEO *Randall Stephenson*. AT&T plans to webcast an Analyst Day from its Dallas headquarters soon to discuss its strategy in much more detail, CFO *John Stephens* said during the company's earnings call late Thurs. "We still fully expect to achieve \$2.5bln worth of cost synergies from this transaction. That also has not changed," he said. DirecTV pres/chmn/CEO *Mike White* announced his plans to retire. The satellite company already notified **NASDAQ** to de-list its stock, according to DirecTV's 8K filing Fri. As part of the merger agreement, DirecTV directors, including *White, Neil Austrian, Ralph Boyd, Abelardo Bru, David Dillon, Samuel DiPiazza, Jr., Dixon Doll, Charles Lee, Peter Lund, Nancy Newcomb, Lorrie Norrington and Anthony Vinciguerra*, are no longer members of the board. Commissioner *Clyburn* said she believes the deal's public interest benefits are significant, but she is worried about the potential impact on smaller MVPDs and indie programmers. While the analysis of the transaction doesn't find that these challenges "are made demonstrably worse because of the merger, I believe it is now time to re-evaluate our program access rules, and to examine barriers to program carriage and distribution...", she said. She asked the Commission to start a Notice of Inquiry to review its carriage rules and barriers to independent and diverse

Cablefax TV Innovation Summit

October 1, 2015 | The Yale Club, NYC

This intensive one-day summit will examine rapid changes in the TV ecosystem.

Sponsored by:



Reception Sponsor:



Early Bird Rate
Ends Sept. 4
Save \$150

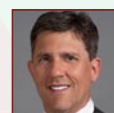
KEYNOTER



Marci Ryvicker
Wells Fargo



Tim Connolly
Hulu



David McNaughton
Mediacom



Elad Nafshi
Comcast



Roger Lynch
Sling TV



Jennifer Pirot
NBCUniversal

Register today at www.cablefaxtvsummit.com

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Associate Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Sr Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Jr. Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,649/year ● Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

programming. She also called on the agency to initiate a program access rules proceeding to evaluate their effectiveness and to identify ways to overhaul the rules. "The Commission's decision is based on a careful, thorough review of the record, which includes extensive economic analysis and documentary data from the applicants, as well as comments from interested parties. Based on this review, the Commission has determined that granting the application, subject to certain conditions, is in the public interest," the agency said in the release announcing the approval.

AT&T 2Q: AT&T lost 22K U-verse video customers during 2Q, a reversal of the 190K net new subs it signed up a year ago. The telco ended the period with nearly 6mIn U-verse video subs. The 2nd quarter is always seasonably a challenge, CFO *John Stephens* said late Thurs during the earnings call. Also contributing to the video sub loss was the lack of heavy promotion during the quarter. "We chose to be very disciplined and very limited in those promotional activities," he said. That has helped to keep the average revenue per use for U-verse triple-play customers at above \$170 a month. AT&T lost 136K Internet subs during the period, though it added 241K U-verse Internet subs. The company ended the quarter with a total of nearly 16mIn broadband subs. Financially, net income totaled \$3bln, compared to net income of \$3.5bln a year ago.

Suddenlink's Jerry Kent: *Jerry Kent*, outgoing chmn/CEO of **Suddenlink** following **Altice's** purchase of the MSO, will be the CEO of cloud service firm **TierPoint**. Kent, already a chmn at TierPoint, will remain at Suddenlink until the transaction closes. Kent is also co-founder of telecom management firm **Cequel III**, which has invested in TierPoint. He remains Cequel III CEO. "Now is the right time for these changes, with the anticipated sale of Suddenlink and the opportunity to further grow TierPoint and enhance the superior level of service it provides our current and future customers," Kent said in a statement.

Starz on Fire: Following the launch of **Starz Play** on **Amazon's** Fire TV platform last month, the net launched **Encore Play**, the TVE app for Encore, on Fire TV and Fire TV Stick, allowing access to live and on-demand content. Starz has expanded its TVE apps to other streaming platforms including **Google** Chromecast, Android, iOS, and Xbox.

Retrans Reform: **ACA** is following up on its earlier meeting about the FCC being required under **STELAR** to commence a rulemaking proceeding to review its "totality of circumstances" test for ensuring that TV stations and MVPDs negotiate retrans deals in "good faith." In a filing with the FCC Fri, the group outlined specific proposals it believes the Commission should seek comment on, including prohibiting online blackouts for broadband subs and station blackouts during or 1 week prior to a marquee event. ACA member **Mediacom** just lost **Media General** stations only hours before the All-Star game.

No Fine for ION Station: The **FCC's** Media Bureau giveth fines and it taketh them away. In May, the Video Division issued a Notice of Apparent Liability for Forfeiture of \$9K against **ION-owned KPXG**, claiming it failed to upload TV issues/program lists to the station's online public inspection file. However, the station's response in June included evidence that it had accidentally deleted the info following the station's license renewal application, resulting in the TV issues/lists appearing to have been filed late. Based on the response, the Bureau found the forfeiture is no longer warranted and should be cancelled.

TVE Campaign via Periscope: **Univision Deportes'** TV Everywhere campaign for the live streaming of the CONCACAF Gold Cup soccer tournament will use social media platform **Periscope** to provide in-depth customer care for viewers seeking to watch the final stages of the tournament on their phones, tablets or computers. The Periscope Live Q&A session was slated to be available via the @UnivisionDeportes account on Sunday (7/26), 20 minutes prior to kickoff of the 7:30 pm ET final match. The 1st phase of the campaign featured an open trial period designed to drive app downloads, encourage sampling of the Live Streaming and teach users about authentication.

Time Shifting Matters: More evidence of time-shifting's power... The July 17 ep of **WE tv's** "Marriage Boot Camp: Reality Stars," which featured *Hank Baskett's* confession to wife *Kendra Wilkinson*, increased 66% to 1.3mIn viewers in L+3 Day compared to compared to L+Same Day viewership. W25-54 rose 102% to 748K in L+3 and W18-49 hit 694K (107%+).

Programming: **ESPN** will televise **NBA Africa Game 2015**—the 1st NBA game played in Africa—live on Aug 1, at 9 am ET. -- **WWE** severed ties with *Hulk Hogan*, scrubbing the wrestler from its website after reports of racially tinged comments. "WWE is committed to embracing and celebrating individuals from all backgrounds as demonstrated by the diversity of our employees, performers and fans worldwide," the company said. -- **Showtime** confirmed that it's canceled series "Happyish" after 1 season. It was originally supposed to star the late *Phillip Seymour Hoffman*, who *Steve Coogan* replaced.

People: **Cox** tapped *Len Barlik* as evp/chief HR officer. He had been evp, product development and management.

Cablefax Week in Review

Company	Ticker	7/24 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	93.55	0.10%	7.90%
DISH:	DISH	65.01	(3.04%)	(10.81%)
ENTRAVISION:	EVC	7.44	(7.12%)	14.81%
GRAY TELEVISION:	GTN	16.77	(4.72%)	49.73%
MEDIA GENERAL:	MEG	15.72	(4.32%)	(6.04%)
NEXSTAR:	NXST	57.18	(0.38%)	10.41%
SINCLAIR:	SBGI	28.11	(4.71%)	2.74%
TEGNA:	TGNA	29.54	(8.23%)	0.00%

Company	Ticker	7/24 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLE ONE:	CABO	422.72	5.72%	0.00%
CABLEVISION:	CVC	26.20	(3.5%)	26.94%
CHARTER:	CHTR	184.33	(0.72%)	10.63%
COMCAST:	CMCSA	62.17	(3.27%)	7.17%
COMCAST SPCL:	CMCSK	62.04	(2.99%)	7.76%
GCI:	GNCMA	18.05	(0.44%)	31.27%
LIBERTY BROADBAND:	LBRDA	53.58	(2.28%)	6.97%
LIBERTY GLOBAL:	LBTYA	51.95	(1.48%)	3.47%
SHAW COMM:	SJR	20.67	(2.64%)	(23.42%)
SHENTEL:	SHEN	32.97	(5.09%)	5.50%
SHENTEL:	SHEN	32.97	(5.09%)	5.50%
TIME WARNER CABLE:	TWC	191.09	1.10%	25.67%

Company	Ticker	7/24 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	33.66	1.66%	(12.37%)
AMC NETWORKS:	AMCX	82.84	(3.43%)	29.90%
CBS:	CBS	53.04	(3.03%)	(4.16%)
CROWN:	CRWN	4.48	(4.68%)	26.55%
DISCOVERY:	DISCA	31.80	(4.53%)	(7.69%)
DISNEY:	DIS	118.91	0.04%	26.24%
GRUPO TELEVISIA:	TV	35.14	(1.84%)	3.17%
HSN:	HSNI	71.13	(1.69%)	(6.41%)
LIONSGATE:	LGF	38.02	0.45%	18.74%
MSG:	MSG	80.29	(2.48%)	6.68%
SCRIPPS INT:	SNI	61.20	(5.64%)	(18.69%)
STARZ:	STRZA	44.38	(3.4%)	49.43%
TIME WARNER:	TWX	87.38	(2.58%)	2.29%
VIACOM:	VIA	56.68	(7.1%)	(24.93%)
WWE:	WWE	16.60	(1.95%)	34.52%

Company	Ticker	7/24 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	2.29	2.30%	(6.08%)
AMDOCS:	DOX	55.58	(2.06%)	19.12%
AMPHENOL:	APH	55.86	2.84%	3.81%
APPLE:	AAPL	124.50	(3.91%)	12.79%
ARRIS GROUP:	ARRS	30.52	(0.46%)	1.09%
AVID TECH:	AVID	12.60	(4.55%)	(11.33%)
BLNDER TONGUE:	BDR	0.82	5.13%	(69.52%)
BROADCOM:	BRCM	51.53	(3.86%)	18.92%
CISCO:	CSCO	28.40	0.78%	2.08%
COMMSCOPE:	CTV	26.27	0.34%	2.46%
CONCURRENT:	CCUR	6.11	(0.89%)	(13.89%)
CONVERGYS:	CVG	25.13	(1.84%)	23.37%
CSG SYSTEMS:	CSGS	30.52	(3.42%)	21.74%
ECHOSTAR:	SATS	46.39	(3.27%)	(11.64%)
GOOGLE:	GOOG	623.56	(7.34%)	18.46%
HARMONIC:	HLIT	6.58	(7.84%)	(6.13%)

Company	Ticker	7/24 Close	1-Week % Chg	YTD %Chg
INTEL:	INTC	28.06	(4.78%)	(22.68%)
INTERACTIVE CORP:	IACI	81.69	(2.68%)	34.38%
JDSU:	JDSU	11.17	(12.87%)	(18.59%)
LEVEL 3:	LVT	52.24	(1.51%)	5.79%
MICROSOFT:	MSFT	45.94	(1.42%)	(1.1%)
NETFLIX:	NFLX	109.34	(4.73%)	(67.99%)
NIELSEN:	NLSN	45.17	(0.77%)	0.98%
RENTRAK:	RENT	67.29	(3.84%)	(7.59%)
SEACHANGE:	SEAC	7.20	(3.74%)	12.85%
SONY:	SNE	29.27	4.09%	42.99%
SPRINT NEXTEL:	S	3.44	(8.99%)	(17.11%)
TIVO:	TIVO	9.95	(3.26%)	(16.01%)
UNIVERSAL ELEC:	UEIC	50.40	0.48%	(22.5%)
VONAGE:	VG	5.11	1.79%	34.12%
YAHOO:	YHOO	38.85	(2.09%)	(23.08%)

Company	Ticker	7/24 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	34.29	(2.06%)	2.08%
CENTURYLINK:	CTL	28.03	(9.41%)	(29.18%)
TDS:	TDS	27.80	(3.84%)	10.10%
VERIZON:	VZ	46.04	(3.26%)	(1.58%)

Index	Value	% Chg	% Chg
MARKET INDICES			
DOW:	DJI	17568.53	(2.86%) (1.43%)
NASDAQ:	IXIC	5088.63	(2.33%) 7.44%
S&P 500:	GSPC	2079.65	(2.21%) 1.01%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS		
COMPANY	CLOSE	1-WK CH
1. CABLE ONE:	422.72	5.72%
2. BLNDER TONGUE:	0.82	5.13%
3. SONY:	29.27	4.09%
4. AMPHENOL:	55.86	2.84%
5. ADVANTAGE:	2.29	2.30%

THIS WEEK'S STOCK PRICE LOSERS		
COMPANY	CLOSE	1-WK CH
1. JDSU:	11.17	(12.87%)
2. CENTURYLINK:	28.03	(9.41%)
3. SPRINT NEXTEL:	3.44	(8.99%)
4. TEGNA:	29.54	(8.23%)
5. HARMONIC:	6.58	(7.84%)

Cablefax Daily is THE Place to Advertise

Launching a new product? Let the industry know!
 Premiering a new show? Let the industry know!
 Celebrating an anniversary? Let the industry know!

Deliver your message with impact and influence the industry's elite.
 Advertise in Cablefax Daily today!